GOVERNMENT OF INDIA
TOURISM AND CULTURE
LOK SABHA

UNSTARRED QUESTION NO:1160
ANSWERED ON:01.03.2001
FACILITIES TO HOTEL INDUSTRY
IQBAL AHMED SARADGI

Will the Minister of TOURISM AND CULTURE be pleased to state:

(a) whether the hotel industry has requested the Union Government to abolish hotel expenditure tax and demanded that the State Government should bring their luxury tax level within a range of 10 per cent;

(b) if so, whether in addition to this, industry also wants that the expenditure tax should not be charged on foreign guests paying the bills in foreign exchange;

(c) if so, the details in this regard; and

(d) the reaction of Government thereon?

Answer

MINISTER OF TOURISM AND CULTURE (SHRI ANANTH KUMAR)

(a): Yes, Sir.

(b): Yes, Sir

(c): The suggestions received from the Hotel Industry Associations to either abolish Hotel Expenditure Tax altogether or to exempt foreign guests paying bills in foreign exchange from the Tax have been recommended by the Department of Tourism. All the State/Union Territory Governments have also been requested to rationalise their Luxury Tax levels within a range of 10%.

(d): Same as above.